

REMARKS

Applicants sincerely appreciate the Examiner granting an Interview and speaking with Attorney for Applicants on 11/7/08. Applicants also sincerely appreciate the clarifications made by Examiner concerning the interpretation of the term "negotiable instrument" in paragraphs 0262 and 0268 in Drummond.

Applicant requests interview

Applicants respectfully request an additional interview if it would expedite disposition of the application. The undersigned attorney would welcome and encourage a telephone conference with Examiner at (281) 245-3316.

Claims 1-29 are pending and stand rejected. The drawings are all accepted. Claims 1-8, 17-22, and 23-29 stand rejected under 35 USC § 103(a) as being unpatentable over Goeller et al. U.S. Pat. App. Pub. 2002/0178112 A1 (hereinafter "Goeller") in view of Drummond et al. U.S. Pat. App. Pub. 2003/0217005 A1 (hereinafter "Drummond").

Claims 9-16 stand rejected under 35 USC § 102(b) as being anticipated by Goeller. Applicants respectfully maintain that the anticipation and obviousness rejections with respect to the claims are traversed in light of the following remarks.

New Claims

Applicants have added a new claim, claim 30. The new claim does not add new matter and is supported by the specification at, for example, paragraphs [0010], [0016], [0017], [0021-0025], [0033] and [0036].

Claim rejections under 35 USC § 103(a)

The Office action rejected claims 1-8, 17-22, and 23-29 under 35 USC § 103(a) as being unpatentable over Goeller in view of Drummond. To establish a prima facie case

of obviousness, the modification or combination must teach or suggest all of Applicants' claim limitations.¹ The key to supporting any rejection under 35 USC § 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious.² Additionally, all words in a claim must be considered in judging the patentability of that claim against the prior art.³

The combination of Goeller in view of Drummond fails to establish a prima facie case of obviousness for independent claims 1, 17, and 23 because the combination fails to teach or suggest all of Applicants' claim limitations. In particular, the combination fails to teach or suggest creating a "negotiable instrument". Applicants respectfully submit that Examiner is not properly interpreting the term "negotiable instrument" in judging the patentability of claims 1, 17, and 23, especially as Applicants claim using an image to create a negotiable instrument.

The Office Action states "Re claim 1. Goeller discloses a method for generating an e-check, the method comprising: scanning a check **to create an image of the check** in response to receiving a check as payment for a transaction (see fig.5, also see paras 0054 and 0115, with emphasis added); ..." (p. 2, item 2). However, contrary to this assertion, Applicants again respectfully point out and maintain that the referenced figure and paragraphs do not create an image of the check. Goeller generally describes how a point-of-sale (POS) Check Service may **convert a paper check** online and **in real-time into an electronic funds transaction** (Goeller abstract; see also [0012], with emphasis added).

Paragraph 0054 starts describing the different elements of the flowchart in figure 5 and how an embodiment may convert a check *into an electronic transaction*. More specifically, paragraph 0054 describes how a clerk may enter the **amount** of the transaction, with one way entering the amount "using scanning or other known techniques." (lines 5-9 of [0054]). Subsequently, paragraph 0055 goes on to describe how the check may be "swiped" to obtain the MICR information (lines 1-5 of [0055]; see also element 310 of figure 5). Paragraph 0115 of Goeller reiterates how check

¹ *In re Royka*, 490 F.2d 981, 985, 180 USPQ 580, 583 (CCPA 1974).

² Manual of Patent Examining Procedure §2142; *KSR International Co. v. Teleflex Inc.*, 550 U.S. ___, ___, 82 USPQ2d 1385, 1396 (2007).

³ *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

information, such as the amount of the transaction and the MICR information may be entered automatically, such as with OCR (optical character recognition) equipment ([0115]). Applicants respectfully maintain that paragraph 0115 does not disclose or suggest creating an image of a check.

Contrasted with Goeller, embodiments of Applicants **create a negotiable instrument** which comprises a “check object” (or “c-check”) which includes an image of the check and binary data of the check information (see [0016]). Having an e-check based on the binary data and the check image may allow a merchant to **substitute the e-check** for the paper check **as the negotiable instrument** (see [0017]). For example, one embodiment described by Applicants may create a J-PEG image of the check ([0024]). Such an image differs considerably from “scanning” a check to obtain the **amount**, or “swiping” the check to read the MICR information.

The Office Action goes on to state “Goeller **implicitly discloses ... generating a negotiable instrument**, wherein the negotiable instruments comprises a check object based upon the image, the amount, and the check information, wherein the check object includes the image (see Goeller paras 0054). However, a secondary reference, **Drummond, explicitly discloses generating a negotiable instrument**, wherein the negotiable instruments comprises a check object based upon the image, amount, and the check information, wherein the check object includes the image (see Drummond paras 0262)” (p. 3, item 2).

Applicants respectfully submit that neither Goeller nor Drummond discloses, implicitly or explicitly, generating a negotiable instrument based upon the image. Applicants respectfully submit that the term “negotiable instrument” has a specific meaning to those possessing ordinary skill in the art. More specifically, to be negotiable, an instrument must meet certain legal requirements that allow the instrument to circulate freely in commerce, such as being an unconditional promise or order to pay a fixed amount of money and being payable on demand or at a definite time (V.T.C.A., Bus. & C. § 3.104).

Embodiments of Applicants may allow a merchant to substitute the e-check for the paper check as the negotiable instrument (see [0017]). As a further illustration of a

negotiable instrument in electronic form, Applicants refer Examiner to WIPO application WO 2008086630 which describes the generation of electronic negotiable instruments using predefined electronic files for providing promise of payment. Applicants submit that WO 2008086630 is different from embodiments of Applicants because, inter alia, WO 2008086630 requires receiving a specified mode of communication associated with the payee and sending a message to the selected payee over a communications network to inform the payee of the availability of the electronic negotiable instrument.

Instead of creating a negotiable instrument, Applicants respectfully submit that Goeller is directed toward **authorizing** the converted paper checks **“online in real-time at the point of sale.”** (Goeller [0012], with emphasis added). In other words, Goeller is not geared toward creating negotiable instruments from the paper checks, but authorizing the converted checks in a rapid fashion. Further support for this argument is found in the statement of Goeller “For a merchant, the POS Check Service lowers the cost of check processing, reduces risk because paper check handling is eliminated, **speeds customer checkout, provides more efficient clearing and settlement**, reduces losses by providing options for check guarantee or verification, **and lowers check losses by retrieving online check authorizations directly from the bank on which the check is drawn.**” (Goeller [0014], with emphasis added).

Applicants submit that Goeller eliminates the need for any negotiable instrument, as funds are transferred in real-time (Goeller abstract; [0012]). In authorizing the converted checks, Goeller describes how a third-party authorizing agent may be involved, guaranteeing a check and effectively bearing the risk of loss based on access to a direct deposit account and/or a third-party risk management database. (Goeller [0041]). Even so, Applicants respectfully submit that such bearing the risk of loss is appreciably different than creating a negotiable instrument.

In regard to Drummond, Applicants again respectfully submit that Drummond describes “A system and method of providing an electronic transaction **receipt** from a cash dispensing ATM.” (see Drummond abstract, emphasis added). The abstract of Drummond goes on to point out that “The receipt may include an image or images associated with the transaction” and that “The system may also operate to image

deposited checks deposited at an ATM” (see Drummond abstract). In other words, Applicants submit that Drummond **creates an image to document the transaction**, which may be a deposit into the ATM.

Applicants respectfully submit paragraph 0262, cited by Examiner (p. 3), does not disclose generating a negotiable instrument. Instead, paragraph 0262 describes how an ATM may generate an image of a received check and how copies of the image may be sent to people and/or entities associated with the transaction ([0262]). The image for the “receipt” may include video, such as video taken from a security camera at the ATM ([0262], see also [0255]). Drummond goes on to describe how the check image can be sent to the owner of the checking account, such as by an electronic message in an e-mail. In other words, Applicants respectfully argue that Drummond creates an image of the check to serve as **a receipt for a transaction**.

Further, Applicants respectfully submit paragraph 0268, cited by Examiner, does not disclose generating a negotiable instrument. Instead, paragraph 0268 describes how a check received for deposit may be scanned to create a digital image that may be forwarded to a host bank and how the image may be stored in a data store (Drummond [0268]). Drummond describes “enabling a bank **to have proper record keeping and retrieval of the check image**” and how the image is “**used to produce copies of the check image...as may be requested**” (Drummond [0268]). Drummond goes further and describes how image data can be sent or made accessible to “financial institutions, clearing houses or other entities **which may require knowledge of the information associated with the check**” such as “law enforcement agencies” (Drummond [0268], emphasis added). In conclusion, Applicants respectfully submit that Drummond creates images of checks for record keeping, not to create negotiable instruments.

In light of the above discussion, Applicants submit the term “negotiable instrument” was not properly interpreted in judging the patentability of claim 1. Consequently, Applicants respectfully argue that neither Goeller nor the combination of Goeller and Drummond disclose all of the elements of claim 1, such as generating a negotiable instrument based upon the image, the amount, and the check information. Applicants also respectfully submit that the Office Action has not clearly articulated any

reasons why creating an image of a check for the purpose of replacing the check with an e-check as a negotiable instrument would have been obvious from the combination of Goeller and Drummond. Accordingly, Applicants respectfully traverse rejections of obviousness in regard to independent claim 1 and request that claim 1 be allowed.

In regard to claims 2-8, claims 2-8 depend from independent claim 1. If an independent claim is nonobvious under 35 USC § 103, then any claim depending therefrom is nonobvious.⁴ As noted above, Applicants respectfully maintain that independent claim 1 is not obvious and that the rejection is traversed. Because the rejections of claims 2-8 are predicated upon the obviousness of claim 1, Applicants respectfully traverse the rejections of dependent claims 2-8 and request that the claims be allowed.

In regard to independent claims 17 and 23, Applicants respectfully point out that both claims have the limitation of generating a negotiable instrument. As noted above, Applicants respectfully maintain that neither Goeller nor the combination of Goeller and Drummond disclose or suggest using an image scanner to create an image for a **negotiable instrument**. Accordingly, Applicants respectfully traverse rejections of obviousness in regard to independent claims 17 and 23 and request that claims 17 and 23 be allowed.

In regard to claims 18-22, claims 18-22 depend from independent claim 17. As noted above, Applicants respectfully maintain that independent claim 17 is not obvious and that the rejection is traversed. Because the rejections of claims 18-22 are predicated upon the obviousness of claim 17, Applicants respectfully traverse the rejections of dependent claims 18-22 and request that the claims be allowed.

In regard to claims 24-29, claims 24-29 depend from independent claim 23. Consequently, because the rejections of claims 24-29 are predicated upon the obviousness of claim 23, Applicants respectfully traverse the rejections of dependent claims 24-29 and request that the claims be allowed.

⁴ *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

Claim rejections under 35 USC § 102(b)

The Office action rejected claims 9-16 under 35 USC § 102(b) as being anticipated by Goeller. A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.⁵ Additionally, the identical invention must be shown in as complete detail as is contained in the ... claim.⁶ Applicants respectfully submit that Goeller does not anticipate claim 9 because Goeller does not describe, either expressly or inherently, generating an e-check based upon an image of a check with the e-check including the image.

The Office Action states that “Goeller discloses a method for transacting with an e-check, the method comprising: generating the e-check based upon a check ... wherein the e-check includes the image...(see fig.6A, element 410)” (p. 8, item 4). Applicants respectfully maintain that Goeller does not disclose generating an e-check based upon an image of the check, wherein the e-check **includes the image**. Fig. 6A is “a flow diagram describing the authorization and clearing of a transaction” (Goeller [0061]). Element 410 describes how “the switch attempts to match the transit routing number with that of a participating drawee bank” (Goeller [0065]).

Applicants respectfully argue that Goeller does not generate an e-check which includes the image. Therefore, Applicants respectfully submit that Goeller does not anticipate amended claim 9, respectfully traverse the rejection of independent claim 9 and request that claim 9 be allowed.

Regarding claims 10-16, claims 10-16 depend from independent claim 9. Applicants respectfully submit independent claim 9 is in condition for allowance and the rejections to dependent claims 10-16 are now moot. Accordingly, Applicants respectfully traverse the rejections of claims 10-16 and request that the claims be allowed.

⁵ *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

⁶ *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

CONCLUSION

Applicants respectfully traversed the cited references in regard to the claim rejections under 35 USC § 102(b) and 35 USC § 103(a). Accordingly, Applicants believe that this response constitutes a complete response to each of the issues raised in the Office Action. In light of the remarks accompanying the listing of claims, Applicants believe that the pending claims are in condition for allowance. Thus, Applicants request that the rejections be withdrawn, the pending claims be allowed, and that the application advance toward issuance. If the Examiner has any questions, comments, or suggestions, the undersigned attorney would welcome and encourage a telephone conference at (281) 245-3316.

A fee for the addition of one independent claim is due with this paper. No other fees are believed due with this filing. However, if any fee is determined to be required, the Office is authorized to charge Deposit Account 09-0447 for any such required fee.

Respectfully submitted,

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/Garland D. Charpiot/

Date

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